

P-443/EM-89-305 GRANTING PERMANENT AUTHORITY FOR CERTAIN OPERATOR SERVICES, GRANTING INTERIM AUTHORITY FOR CERTAIN OPERATOR SERVICES, AND REQUIRING

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Patrice Vick	Commissioner

In the Matter of a Tariff Filing by MCI to Provide Operator Assisted Calling to its Dial "1", Prism III and Prism Plus Customers, and to Introduce Payphone Service, Institutional Phone Service, and LEC Calling Card Service

ISSUE DATE: August 16, 1990

DOCKET NO. P-443/EM-89-305

ORDER GRANTING PERMANENT
AUTHORITY FOR CERTAIN OPERATOR
SERVICES, GRANTING INTERIM
AUTHORITY FOR CERTAIN OPERATOR
SERVICES, AND REQUIRING
REFUND PLAN

PROCEDURAL HISTORY

On May 4, 1989, MCI Telecommunications Corporation (MCI or the Company) filed a petition requesting certain changes to its tariff. The Company wished to add the option of dialed operator assistance for its Dial "1", Prism III and Prism Plus customers. In addition, MCI sought approval of transient end-user operator assistance options called Payphone, Institutional Phone and LEC Calling Card Services.

On May 29, 1990, the Department of Public Service (the Department) filed comments. The Department recommended permanent authority for the Dial "1", Prism III and Prism Plus options, and interim authority for the proposed transient end-user options.

On June 5, 1990, the Company filed reply comments. The Department responded with reply comments on June 13, 1990.

The matter came before the Commission on July 24, 1990.

FINDINGS AND CONCLUSIONS

Dial "1," Prism III and Prism Plus Customers

Dial "1," Prism III and Prism Plus are pricing options for message telecommunications service provided over the switched network. MCI customers choose one of the three options according to the customers' calling patterns and volume. With the proposed operator assistance option, customers of the three services would have the ability to make station, collect and third party operator-assisted calls by dialing "O" or "OO".

The Commission agrees with the Department's recommendation that permanent authority be granted for operator assistance to subscribers of Dial "1," Prism III and Prism Plus. These subscribers are already MCI customers of a competitive service. The same competitive pressures which tend to control rates and protect customers will extend to the new operator assistance options. The Commission will approve the addition of operator assistance to these customers on a permanent basis.

Payphone, Institutional Phone and LEC Calling Card Services

Payphone, Institutional Phone and LEC Calling Card Services are operator assistance options provided from MCI presubscribed locations. Potential customers of these services would be transient end-users calling from hotels, motels, payphones, hospitals and other similar locations. These options therefore come under the general heading of operator services from transient locations.

The Commission has long recognized that callers from transient locations are "captive" customers who are unable to make a choice regarding their telephone service. Because of this fact, the Commission has in the past imposed special requirements to protect this type of customer.

The Commission is currently investigating operator services provided from transient locations in a contested case proceeding at Docket No. P-999/CI-88-917. In this proceeding the Commission has established certain interim requirements which must be observed by any company granted temporary authority to provide operator services from transient locations. The requirements include the capping of operator service providers' rates at the level approved for AT&T, providing access to the interexchange carrier of the end-users' choice, identification of the operator service provider, and the routing of emergency calls to the local exchange carrier.

MCI wishes to distinguish itself from participants in Docket No. P-999/CI-88-917. The Company argues that it is not an alternative operator service provider but rather a full service provider similar to AT&T. MCI therefore argues that it should be granted permanent authority to provide its operator services from transient locations while remaining free from any interim requirements.

The Commission agrees with the Department that the same protections offered to other end-users should be extended to those who utilize MCI's new Payphone Service, Institutional Phone Service, and LEC Calling Card Service. Every successful applicant for authority to provide operator services from transient locations has been granted its authority on an interim basis, subject to the Commission's final decision in the ongoing investigation. The interim guidelines have been imposed on every applicant before the Commission without discrimination. The Commission will grant MCI temporary authority to provide its proposed operator services from transient locations, under the

interim guidelines set forth in Docket No. P-999/CI-88-917.

Should MCI Provide a Refund

MCI has not disputed the fact that it has been providing operator services from transient locations without Commission authorization. MCI has sought to distinguish itself from the usual set of facts by raising three issues: MCI does not have the capability of blocking intrastate operator services; the operator services provided by MCI were provided at lower rates than those offered by AT&T; a refund procedure would be costly and burdensome for MCI.

The Commission has reviewed the Company's arguments and does not find them sufficiently compelling to justify an exemption from providing refunds. Other companies in similar situations have been required to provide refunds of charges collected prior to Commission authorization. The defenses raised by MCI do not persuade the Commission to treat MCI differently from other providers in previous dockets. The Commission will require MCI to submit a refund plan for Commission approval, and to implement the final plan.

ORDER

1. MCI's request to provide dialed operator services to its Dial "1", Prism III and Prism Plus customers is hereby approved.
2. MCI's request to provide Payphone, Institutional Phone and LEC Calling Card Services is approved on an interim basis pending the final decision in the Commission's investigation into operator services, In the Matter of the Application for Authority to Provide Alternative Operator Services in Minnesota, Docket No. P-999/CI-88-917. During its period of interim authority, MCI shall be governed by the interim guidelines established in said docket.
3. Within 30 days of the date of this Order, MCI shall provide a proposed refund plan. The plan shall include a sworn affidavit of an MCI official stating the following:
 - a. The date MCI started providing operator service from transient locations in Minnesota and, if applicable, the date MCI stopped providing such services;
 - b. The rates charged by MCI for all of its intrastate operator services from transient locations during the period stated in (a) above;
 - c. The total intrastate revenue collected by MCI from its operator services during the period stated in (a) above;
 - d. The method MCI would use to provide the refund.

4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

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